

VETERANS AFFAIRS

8950 Department of Veterans Affairs

The Department of Veterans Affairs has three primary objectives: (1) provide comprehensive assistance to veterans and dependents of veterans in obtaining benefits and rights to which they may be entitled under state and federal laws; (2) afford California veterans the opportunity to become homeowners through loans available to them under the Cal-Vet farm and home loan program; and (3) provide support for California veterans' homes where eligible veterans may live in a retirement community and where nursing care and hospitalization are provided. The department operates veterans' homes in Yountville (Napa County), Barstow (San Bernardino County), and Chula Vista (San Diego County). The homes provide medical care, rehabilitation, and residential home services. With \$50 million in general obligation bonds available through Proposition 16 (2000), \$162 million in lease-revenue bonds (most recently amended by AB 1077 [Chapter 824, Statutes of 2004], and federal funds, new homes will be constructed in West Los Angeles, Lancaster, Saticoy, Fresno, and Redding.

The Governor's budget funds 1,608.6 positions (including 139.1 new positions) and budget expenditures as follows:

Summary of Expenditures				
(dollars in thousands)	2005-06	2006-07	\$ Change	% Change
Fund Source				
General Fund	\$68,767	\$78,942	\$10,175	14.8
Veterans' Farm and Homebuilding Fund of 1943	183,966	184,031	65	0.0
Federal Trust Fund	21,874	22,567	693	3.2
Reimbursements	28,342	28,152	-190	-0.7
Other Funds	897	976	79	8.8
Total, Fund Source	\$303,846	\$314,668	\$10,822	3.6

Highlights

Funding for Veterans Homes. The Governor proposes a 19 percent funding increase for the three Veterans Homes, from \$58.5 million in the current year to \$69.6 million in the budget year.

Home	Funding 2005-06*	Proposed Funding 2006-07*
Yountville	\$38,926	\$44,740
Barstow	8,401	11,125
Chula Vista	11,164	13,745
TOTALS	\$58,491	\$69,610

(*dollars in thousands)

Major Budget Proposals

Veterans Home Fund Construction Team. The budget proposes to renew two positions for three additional years, at a cost of \$211,000 General Fund per year. These positions were established for the purpose of supporting the Veterans Home Development Program through grants management, design development, construction management, and community relations.

Yountville Infrastructure Planning Study. The Governor's budget proposes a \$500,000 General Fund appropriation to fund an infrastructure study for the Yountville Veterans Home. This study would assess and prioritize material deficiencies in the 105 year-old home.

Yountville Recreation Building Renovation. The budget proposes \$8.3 million General Fund to renovate the recreation building at the Yountville Veterans Home. This project will include measures to improve functionality of the existing facilities, abate hazardous materials, and conform to seismic and fire codes. Based on the schedule provided, it is unclear that the full \$8.3 million will be needed in the budget year.

Salary Savings Exemption. The Governor's Budget includes \$1.7 million General Fund and 27.8 positions for the costs of exempting nurses and other 24-hour care staff at the Veterans Homes from the salary savings requirement. The Administration asserts that such exemptions would be consistent with existing practice for other 24-hour care state facilities. This proposal would not result in actual nurses being hired, but rather a reduction to the current salary savings rate used for the Yountville Home. This BCP seeks a lower rate in order to recognize overtime commitments that reduce available funding. The Legislature will carefully consider this request for exemption from statewide salary savings practice and the differential cost between funding overtime hours and hiring additional staff.

Yountville Alzheimer's/Dementia Unit and Nursing Ward Backfill. The Governor's budget proposes \$3.8 million (\$3.4 million General Fund) and 75.7 positions to operate the new Yountville Alzheimer's/Dementia Unit. This newly constructed facility will ultimately serve 75 patients and was specifically designed to address the unique needs of Alzheimer's and dementia

patients. The Yountville Veterans Home plans to open this facility to serve 40 patients on July 1, and the remaining patients on January 1, 2007. A corresponding augmentation of \$1.3 million (\$371,000 General Fund) and 33.5 positions will staff and backfill two nursing wards with other patients after the existing Alzheimer's/Dementia Unit is vacated. Given this delicate sequencing of opening facilities, moving staff, and filling positions, the Legislature will want to closely examine the proposed schedule and associated funding.

Barstow Immediate Care Facility – Restoration of 20 Beds. The Governor's budget proposes \$1.3 million (including \$906,000 General Fund) and 10.6 positions to restore 20 beds that were voluntarily shutdown in 2003 after a series of incidents involving mistreatment of residents at the Barstow facility. The Department of Health services restored the Barstow Veterans Home authority to begin reopening a skilled nursing facility in April 2005. Given recent history and the sensitivity of care for veterans, the Legislature will closely examine the Barstow Veterans Homes' readiness for restoring beds.

Combat-Related Treatment Programs. The budget includes \$1 million General Fund and 11 positions for a new program to establish a baseline behavior wellness program at each Veterans Home. This program will treat veterans with post traumatic stress disorder, among other psychiatric problems. Treatment strategies will include psychiatry, psychology, and substance abuse treatment.